APRIL 1991

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THEATRE FACTS 90

SPECIAL REPORT:

THE COMING-OF-AGE OF 'BETSEY BROWN'

THE COMPANY THAT HATCHED 'ASSASSINS'

VISIONS OF FRIDA KAHLO

Ntozake Shange, left, and Emily Mann, collaborators on BETSEY BROWN *at the McCarter Theatre*

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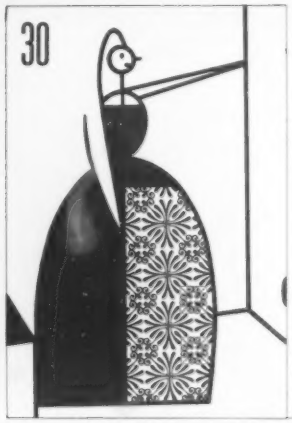

Cover: Playwright Ntozake Shange and McCarter Theatre Center artistic director Emily Mann, collaborators on the musical Betsey Brown. Photo by Charles Fox of *The Philadelphia Inquirer*.

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American Theatre

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LETTERS TO THE EDITOR

ROBERTO DEVICO

Leave the Texts Alone

While I agree with Marc Robinson ("The Closing of the Theatrical Mind," Dec. '90) that we need to re-engage with, not simply resurrect, "classic" texts, we need to do so on *their* terms, not *ours*. When Robinson states that we need "actable" translations, he seems to fall into the same trap as do those directors who insist on "updating" or "relocating" texts to make them more accessible or more relevant. George Wolfe's travesty at the New York Shakespeare Festival, his Haitian *Caucasian Chalk Circle*, is a case in point, as are Albert Bermel's versions of Molière and Eric Bentley's of Brecht.

This doesn't necessarily mean that productions should be airless museum pieces similar to those Shakespeares staged so often by theatres as reputable as the Royal Shakespeare Company or Yale Repertory Theatre. Neither does it give free license to imaginations like Anne Bogart's or the Wooster Group's, that would re-imagine these works by using historical distance to deconstruct them. Churning them through any postmodern mill simply because that's where we find ourselves now does nothing to help us understand either the tradition the work emerges from or our cultural relation to it.

This might smack of the argument Robinson so rightly condemns—the one that preaches a type of academic or political utilitarianism. If producing these plays needs more justification than simply the pleasure derived from seeing these works—and for some people, especially those reactionaries like John Frohnmeyer, it could—can't it simply be said that they show us where we've come from and point to where we might go?

Robinson writes: "The uneasy tension between politics and art often traps with competing seductions those with commitments to both. . . ." I would never subscribe to the ludicrous view that *The Persians* (or for that matter *The Second Shepherd's Play*) needs to "speak to our time." That these works do without perversions or simplifications is a measure of their expansive vision. It's politically subversive enough to examine history, especially cultural history, as it has shaped our beliefs and attitudes. And to do this, we must leave these texts alone, unsullied by modern notions of moral and political rectitude.

Framji Minwalla
New Haven, Conn.

God Knows What

I have accidently come across a piece of information while doing research for a production of *Waiting for Godot*. The *Oxford English Dictionary* contains a definition for "Goddot," a corruption of "god wot" used in the 1300s, meaning "God knows." The OED defines "god wot" as a term "used with indirect question to imply that something is unknown to the speaker, and probably to every other human being."

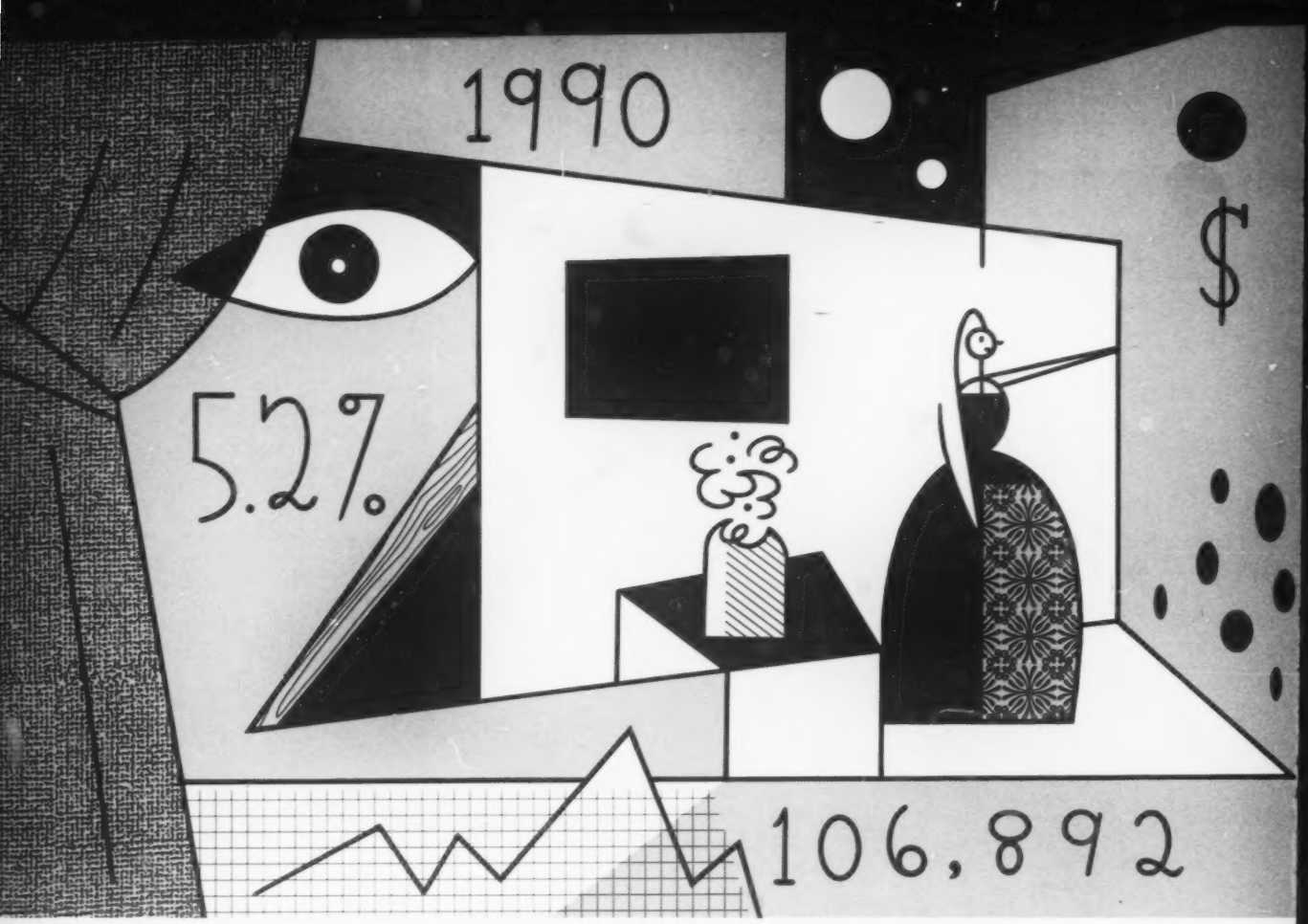
I found it very useful, as I was directing, to think of Beckett's title as meaning "waiting" (or, in a more literal translation of the French, "while waiting") "for God knows what."

This information seems so obvious that I'm sure I'm the last kid on the block to hear about it. On the other hand, no one has ever mentioned it, so it may be "news."

Erin B. Mee, resident director
The Guthrie Theater
Minneapolis

Correction

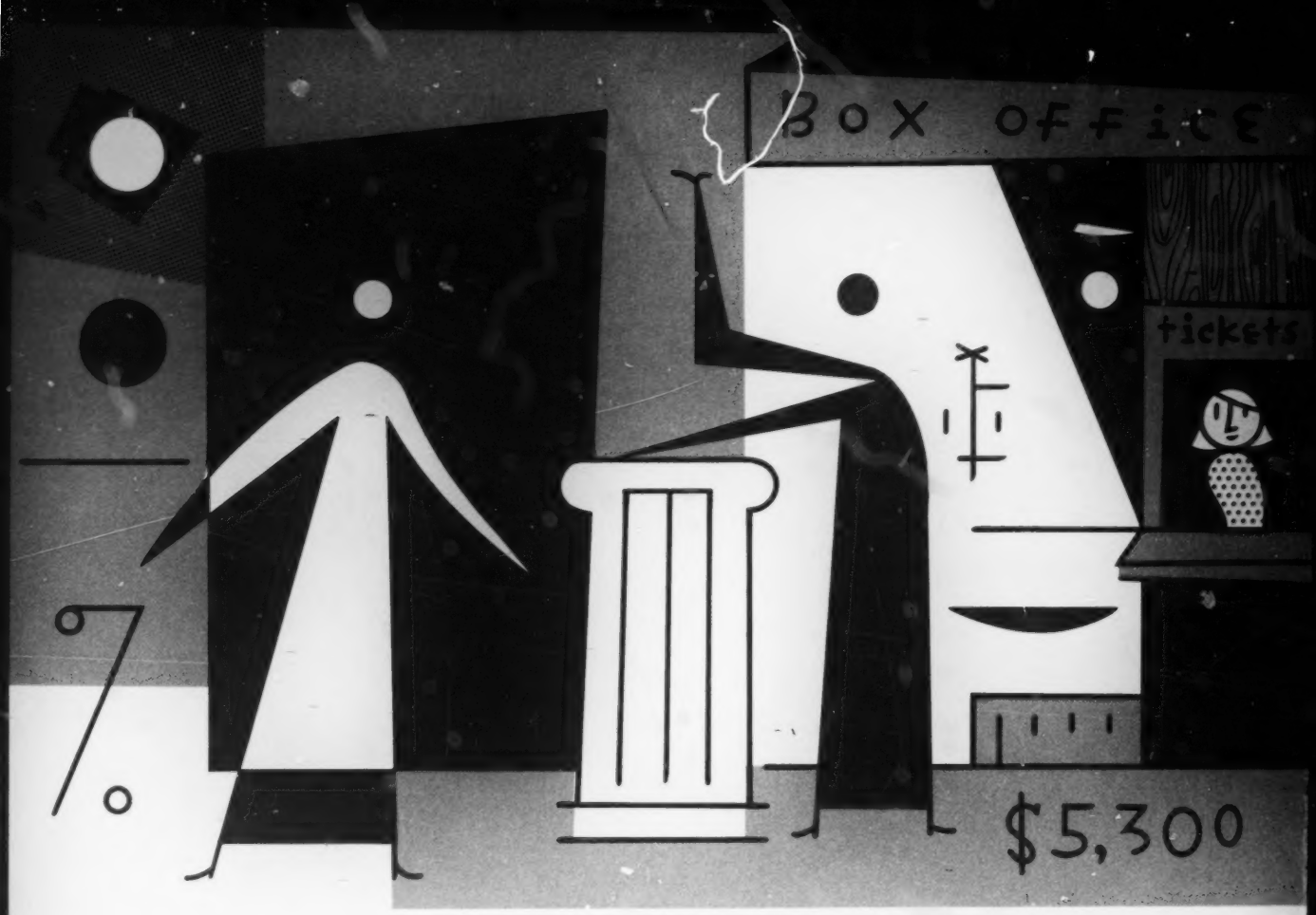
The Adaptors Inc. was inadvertently omitted from the list of recipients of NEA grants under the Theatre Program's special projects category in the February issue. The $20,000 grant will support the production of a multimedia movement theatre work involving the Brooklyn-based group, a cartoonist and filmmaker, and a visual technician, to be presented at an Off-Broadway performance space in the fall of 1991. □



Poised on the brink of recession, theatres face more troubled times ahead.

THEATRE 90 FACTS

BY BARBARA JANOWITZ



As an economic recession takes hold, indicators point to leaner years ahead for the theatre field along with the entire economy, according to Theatre Communications Group's 17th annual national survey of nonprofit professional theatres.

Unlike the previous year, which showed record growth in both income and expense areas, fiscal year 1990 was characterized by a general slowdown in the rate of growth for almost all theatre income sources—both earned and contributed. This deceleration is most apparent in the growth rates for box-office income; federal, state and city government funding; and individual and corporate contributions, and foreshadows what may necessitate a real scaling back as recessionary effects gather momentum. The slower growth of most sources of contributed income is particularly worrisome, coming at a time when theatres are becoming more reliant on grants and contributions to balance budgets and more theatres than usual were forced to suspend operations last year due to financial hardship.

By the end of the survey year, 16 states across the country—home to nearly half the nation's theatres—were either in a recession or close to one, according to government-collected employment statistics. While economists hesitated to acknowledge a national recession until last fall, the signs of economic decline were pervasive throughout most of the country much earlier, as reflected in TCG's fiscal year 1990 theatre survey.

ILLUSTRATION BY J.D. KING

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The earliest pangs of an ailing economy were felt most sharply in the New England and Middle Atlantic regions, but soon spread elsewhere, affecting virtually all industries. As both blue-collar and white-collar jobs were being slashed, property values deflated and personal income began to drop, along with consumer spending. As the bad news grew worse, it became apparent that nonprofit theatres and other cultural institutions—dependent on a thriving economy to stimulate private and public giving, as well as to provide discretionary income for ticket purchases—would feel their share of the hardship.

But although there are warning signs present in the 1990 TCG survey results, the survey still showed a moderately balanced theatre economy for the past year. On the brink of a national recession, theatres were nevertheless able to increase production activity and attract more people to those productions.

Here are highlights from the report which follows:

- Attendance reached a five-year high.
- Production activity for main series climbed, but other offerings such as workshops, play readings and booked-in events decreased.
- Expenses grew faster than income, but both income and expenses outpaced inflation.
- Box-office earnings rose but registered the slowest growth in five years.
- Personnel costs, including salaries, fees, royalties and fringe benefits, grew faster than inflation but

Survey Universe: 1990 Totals for 185 Theatres

THE 1990 TCG SURVEY INCORPORATES information from 185 nonprofit professional theatres across the United States, located in major metropolitan centers, rural communities, urban neighborhoods and suburbs, representing 114 towns and cities in 40 states and the District of Columbia. Illustrative of the artistic, cultural and geographic range of this year's national survey group are San Diego Repertory Theatre, Milwaukee Repertory Theater, Honolulu Theatre for Youth, Wilma Theater of Philadelphia, Jomandi Productions of Atlanta, Repertorio Español of New York City, A Contemporary Theatre of Seattle, Theatre de la Jeune Lune of Minneapolis, the Road Company of Johnson City, Tenn. and AMAS Musical Theatre of New York City.

Together, these theatres played to a total audience of nearly 15.2 million during the 1989-90 season and presented 46,131 performances of 2,265 productions. The total number of actors, directors, designers, playwrights, and administrative and technical staff employed by the theatres was 23,792 with an additional 29,628 volunteers augmenting the professional workforce.

Budgets for the 185 theatres ranged in size from $48,500 to nearly $11.5 million. As a group, the theatres represented a $306-million national enterprise in fiscal 1990. Within the survey universe, one-fifth of the theatres operated with budgets over $3 million, one-fifth with budgets between $1 and $3 million, and three-fifths with budgets under $1 million.

Despite a year-end aggregate surplus of nearly $1.3 million, 42 percent of the theatres ended the season with operating deficits, spread proportionately among large, mid-sized and small theatres, signaling continued economic instability for a large segment of the field.

Seven theatres ceased operations in 1990 due to financial adversity, an unusually high number among TCG's constituency, including the country's oldest nonprofit theatre, New York's Chelsea Stage, which in its earlier incarnation as the Hudson Guild Theatre dated back to 1896, and Atlanta's 34-year-old Academy Theatre, which has since re-opened under a new organizational structure. They were joined by the demise of Montclair, N.J.'s 17-year-old Whole Theatre and the 13-year-old Actors Theatre of St. Paul, Minn., as well as the more recently founded New Theatre of Brooklyn, East Coast Arts Theatre in New Rochelle, N.Y. and A Directors' Theatre in Los Angeles. This high toll among small and mid-sized theatres bears witness to the particular vulnerability of all but the largest and most stable institutions.

SURVEY UNIVERSE

1990 Totals for 185 Theatres

PRODUCTIVITY	
Attendance	15,165,868
Subscribers	888,684
Performances	46,131
Productions	2,265
FINANCES	
Earnings	$188,434,393
Contributions	$119,206,365
Total Income	$307,640,758
Total Expenses	$306,349,640
Surplus/Deficit	$1,291,118
WORK FORCE	
Artistic	12,534
Administrative	4,646
Technical	6,612
Total Paid Personnel	23,792
Volunteers	29,628

more slowly than non-personnel expenses.
- Foundation support showed the largest increase of any source.
- Individual giving registered a healthy increase, but the growth rate was only a little more than half the increase reported the prior year.
- Corporate support fell below inflation rates, showing by far the smallest increase in five years.
- While total federal funding rose because of a handful of large Challenge grants from the National Endowment for the Arts, NEA program funds supporting the overall field dropped.
- Both state and local government support also failed to match inflation rates, and showed the smallest increases in five years.
- The 53 sample theatres ended the year with a small collective operating deficit, reversing the surplus reported the year before.

Sample Group: Five-Year Trends for 53 Theatres

A sample group of 53 theatres, comprising the largest sample group studied since the survey began, provides detailed information and a five-year trend analysis beginning with 1986. The sample theatres in the 1990 survey range in budget size from $637,000 to nearly $9.9 million and, together, account for more than three-fifths of the total financial activity of the 185-theatre survey universe.

Expenses grew faster than income in 1990, although both figures ran ahead of the 4.7 percent inflation rate for the year. Total income increased 8.6 percent over the previous year, failing to keep pace with operating expenses, which grew 8.8 percent and produced a small collective operating deficit of $168,000 for sample theatres at the end of the year.

Looking still more closely, six sample theatres reported 1990 deficits in excess of $250,000 and four posted deficits in each of the five years studied. Yet, although two-fifths of the sample theatres ended the year with operating deficits, reversing the surplus position of the previous year, the bottom-line figures represent a substantial improvement over three years ago, when nearly half posted year-end deficits and the aggregate deficit was $3.1 million.

Earnings

Earned income—comprised predominantly of box-office receipts along with other revenues from touring, educational programs, interest and dividends, endowment earnings and concessions—rose 8.3 percent in 1990, but this increase was significantly behind the 12.2 percent growth rate in the prior year, largely attributable to the slowest increase in box-office earnings of the five years studied. Increases reported from other sources of earned income were not large enough to compensate for the slowdown in box-office earnings.

These statistics indicate a curb in the growth trends reported in recent years and raise questions about the theatres' continued ability to maximize earned income. As the annual growth in operating expenses continues to outpace inflation and the competition for contributed income has become stiffer in recent years, many theatres have looked to new levels of earned income to balance the financial equation. They instituted revenue-producing ancillary activities such as booked-in events, restaurants and gifts shops and, more successfully, concentrated greater and greater resources on marketing each season, significantly boosting attendance and ticket sales revenues.

While far from disastrous, the disappointing earnings in 1990 indicate that theatres may need to scale back their financial expectations, particularly as continued growth is less likely in a depressed economy.

Box Office

The 1989-90 season attracted the largest aggregate audience to the sample theatres with more performances in the survey period than ever before, though the number of productions offered remained the same as the previous year. Total attendance at all productions, including resident, booked-in and touring activities, reached a record high during the 1989-90 season, as each sample theatre presented an average of 336 performances at home and on tour.

Within the framework of total performance activity, main series offerings—including main stage and second stage productions—attracted the largest audience in the five years studied, filling 75 percent

An unusually high number of theatres ceased operations in 1990, bearing witness to the particular vulnerability of small and mid-sized theatres.

TOTAL INCOME AND EXPENSES

53 Sample Theatres

IN THOUSAND $	1986	1987	1988	1989	1990
Earned Income	82,964	89,198	95,195	106,792	115,644
Total Expenses	135,173	145,949	158,198	174,047	189,355
Earnings Gap	−52,209	−56,751	−63,003	−67,255	−73,711
Contributed Income	51,121	55,951	59,914	67,385	73,543
Total Income	134,085	145,149	155,109	174,177	189,187
Surplus/Deficit	−1,088	−800	−3,089	130	−168

of available seats and growing more than 5 percent over the prior year.

Other offerings such as workshops, play readings and young people's performances did not fare as well, showing decreases in number of productions and performances offered, triggering a 13 percent decline in attendance from the prior year. Similarly, booked-in events (those theatre, dance, film, music or other events sponsored but not created by the theatres) represented a far smaller portion of overall activity, as fewer performances of fewer events were offered. These findings are evidence of a general concentration of both financial and human resources on primary theatre activities and a reduction of ancillary activities for many theatres.

Box-office income, from subscriptions and single-ticket sales, represented approximately four-fifths of all earnings and covered nearly half of all expenses. A combination of increased attendance and rising ticket prices produced a 7.6 percent rise in box-office income, but it was the smallest increase in five years.

The total number of subscribers for all resident productions also reached a five-year high, as 33 theatres were able to increase their subscriber bases in 1990. Total subscribers ranged from 1,200 to 28,700 and averaged 11,702 per theatre. The largest subscription audiences were reported by the Mark Taper Forum (Los Angeles), Goodman Theatre (Chicago), South Coast Repertory (Costa Mesa, Calif.), Seattle Repertory Theatre, Guthrie Theater (Minneapolis), Alliance Theatre (Atlanta) and the Children's Theatre Company (Minneapolis) where, in each case, the total subscriber base exceeded 20,000.

Although subscription income, reflecting series-ticket price increases as well as increased subscribers, rose 7.9 percent, it fell short of the prior year's growth rate. Subscription prices ranged from $3.60 to $37 per ticket to a mainstage production, and the average cost of a mainstage subscription ticket was $15.51.

As recent years brought about diminished potential for subscription growth, the practice of ignoring the "fickle single-ticket buyer" in favor of the "loyal subscriber" became outdated, as theatres placed an increasing emphasis on marketing to non-subscribers as a means of boosting overall attendance and sales. Single-ticket revenue grew at impressive rates in each of the first four years of the TCG study, but the 7.1 percent rise in 1990 was the slowest in five years.

As theatres continued their efforts to keep tickets affordable, the average single ticket cost a patron only $18.32, less than one-half the average of $38.77 for a ticket to a Broadway show during the same season, as reported by the League of American Theatres and Producers. Single tickets to mainstage productions ranged from $4 to $39.

Among the sample theatres, the Alley Theatre (Houston), Great Lakes Theater Festival (Cleveland) and Perseverance Theatre (Douglas, Alaska) showed particularly weighty increases in mainstage attendance with concomitant increases in single-ticket income, while Intiman Theatre (Seattle), Syracuse Stage and Yale Repertory Theatre (New Haven, Conn.) registered hefty attendance growth with more moderate rises in income.

INCOME AND EXPENSES

53 Sample Theatres

PERCENT CHANGE	86–7	87–8	88–9	89–90	5 YRS. 86–90
Expenses	8.0	8.4	10.0	8.8	40.1
Earned Income	7.5	6.7	12.2	8.3	39.4
Contributed Income	9.5	7.1	12.5	9.1	43.9
Total Income	8.3	6.9	12.3	8.6	41.1

Theatre managers face a formidable challenge in structuring ticket pricing for the current recession, and must balance the need to meet income projections with keeping prices reasonable enough to attract a growing audience and keep theatre seats filled. In early 1991, many theatres across the country are already reporting sluggish single-ticket sales, and several theatres are extending "pay what you can" policies to the public for nearly all performances to fill otherwise empty seats.

Other Earnings

Income from touring activity solidly increased over the prior year. Yet the nearly 31 percent increase was not reflected in either the number of admissions to touring performances, which rose by a modest 4.6 percent, or in the number of performances offered, which increased 6.8 percent. Only 24 of the 53 sample theatres reported income from touring, down from 26 that toured the previous year. The Goodman Theatre, Children's Theatre Company, Alliance Theatre Company, Missouri Repertory Theatre (Kansas City) and American Conservatory Theatre (San Francisco) reported the highest touring revenue among sample theatres in 1990.

South Coast Repertory's tour of 248 performances within the state of California and 8 additional performances at the Singapore Arts Festival led the touring activity among sample theatres, followed by the home state and northeast region tour of the George Street Playhouse (New Brunswick, N.J.), a midwestern tour of the Repertory Theatre of St. Louis, and Yale Repertory Theatre and Alliance Theatre Company's tours within the U.S. and to the Soviet Union.

Only 14 theatres served as "presenters" in 1990—booking in the touring work of outside arts groups—down from 20 theatres hosting such programs the year before. Consequently, income from these booked-in events decreased accordingly, by more than 21 percent, while attendance declined by 41 percent. McCarter Theatre Center for the Performing Arts (Princeton, N.J.), Arena Stage (Washington, D.C.) and the Guthrie Theater continued to draw the largest audiences to their booked-in events.

The diminished activity is most likely attributa-

ble to increased use of facilities for the theatres' own programs and the general cutbacks in non-primary activities mentioned earlier. Most theatres without ancillary performance spaces like Arena Stage's Old Vat Room and McCarter's Richardson Auditorium, or established markets and proven track records for financially successful booked-in events like the Guthrie, have become reluctant to assume the financial risks and marketing demands associated with such events on top of their already rigorous production schedules.

Income from all combined training and educational outreach programs—including theatre-operated conservatories and classes, humanities series and artists-in-the-schools programs—increased 13 percent, reaching a five-year high. Of the 24 theatres reporting training program income, American Conservatory Theatre, American Repertory Theatre (Cambridge, Mass.), South Coast Repertory, Alliance Theatre, the Dallas Theater Center and La Jolla Playhouse received the highest earnings. Only 16 theatres reported income from educational outreach activities, with the greatest revenue realized by the Dallas Theater Center, Shakespeare Theatre at the Folger (Washington, D.C.), Arena Stage and the Alley Theatre.

In 1986, the first year reflected in this year's survey report, 26 of the 53 sample theatres had established endowment funds. The following year, that number had grown to 33 and has remained constant through 1990. While the growth in the creation of endowments earlier in the decade illustrated the increasing recognition of the importance of such funds to the financial health of nonprofit theatres, the latter part of the 1980s did not provide an environment conducive to starting up new endowments.

Fourteen of the thirty-three theatres with endowments reinvested all endowment earnings in 1990, either by board election or donor mandate. Endowment interest used for operating purposes by the others increased nearly 24 percent over 1989. Still, this source of income covered only 1.6 percent of aggregate expenses, and only four theatres—Actors Theatre of Louisville, Center Stage (Baltimore), Dallas Theater Center and the Guthrie Theater—provided for more than 5 percent of operating expenses from this earnings source.

The size of endowment fund balances has grown considerably in the five years studied (1990 fund balances ranged from $500 to $14.1 million with a median of $700,379) and endowment assets totaled $62.8 million, nearly double the $33.7 million aggregate endowment fund balances reported by the sample theatres five years ago. The largest endowment principals were reported by the Guthrie Theater, Center Stage, Actors Theatre of Louisville, South Coast Repertory and Arena Stage.

Other miscellaneous sources of earnings include income from concessions, program advertising, space rental and the rental or sale of costumes and props, which together increased 10 percent. Interest earned on operating fund investments increased more than 20 percent, while royalty income earned from subsequent stage, film, video and audio productions of works developed by sample theatres decreased more than 10 percent, with an aggregate of only $701,273 reported by 24 of the 53 sample theatres.

isappointing earnings in 1990 indicate that theatres may need to scale back their financial expectations.

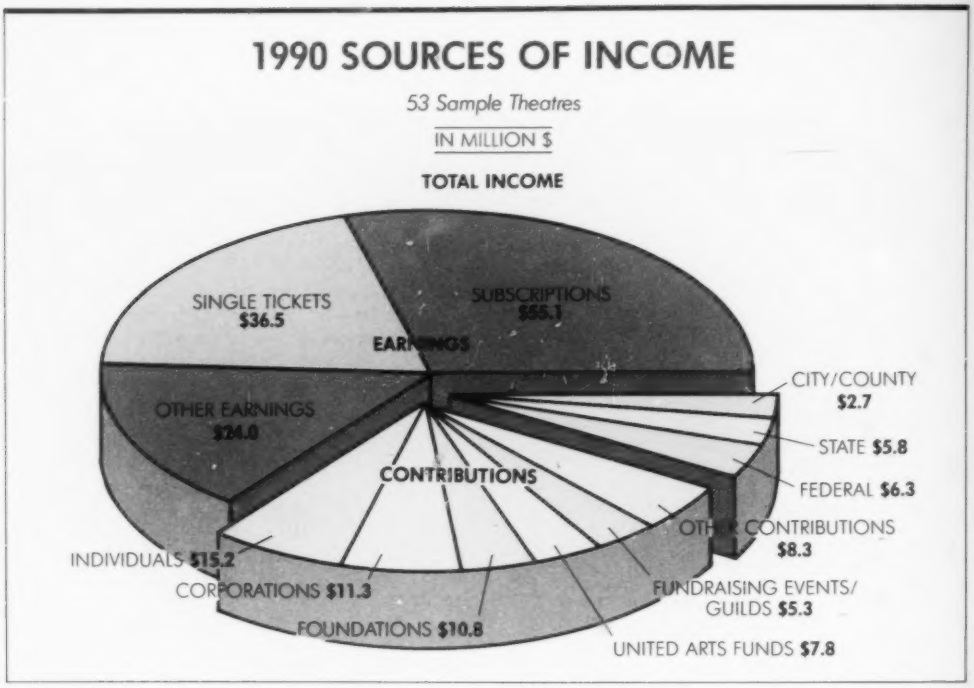
Expenses

Total operating expenses for the 53 sample theatres rose 8.8 percent in 1990. The average operating budget has grown from $2.5 million in 1986 to $3.6 million, and more than three-fifths of all theatre expenses continue to be devoted to compensation of artists, administrative staffs and production/technical personnel. Total salaries, fees, royalties and fringe benefits grew by 8.1 percent over the previous year, well beyond the inflation rate of 4.7 percent, the combined result of higher salaries and fees, and expanding staffs. But the growth was the

EARNED INCOME

53 Sample Theatres

IN THOUSAND $	1986	1987	1988	1989	1990
Box Office	64,343	70,352	$75,761	$85,214	$91,670
Touring	3,444	2,430	2,656	2,563	3,346
Booked-in Events	1,963	3,355	2,601	2,909	2,296
Educational Programs	2,434	2,786	2,980	3,313	3,744
Endowment	1,507	1,983	2,152	2,373	2,941
Interest & Dividends	1,460	1,244	1,509	2,065	2,481
Concessions	2,084	2,287	2,247	2,676	2,842
Advertising	1,369	1,099	1,245	1,329	1,403
Rentals	1,228	1,390	1,445	1,479	1,783
Royalties	527	472	536	781	701
Other	2,605	1,800	2,063	2,090	2,437
TOTAL	82,964	89,198	95,195	106,792	115,644



slowest in the past three years and slower than the rate of growth for non-personnel expenses.

The TCG survey categorizes theatre personnel in three main areas: artistic, production/technical and administrative. Expenses for salaries and fees paid to artistic employees and freelance guest artists—including actors, directors, designers, artistic directors and literary managers—reflected the highest increase among the three personnel categories, rising 10.9 percent in 1990. Also increasing significantly were salary costs for production and technical employees, including carpenters, seamstresses, lighting technicians, property artisans and stagehands, which rose 8.1 percent. Total compensation expenses for administrative employees—including managing directors, audience development professionals, fundraising staffs, business managers, box-office and front-of-house staff—rose more slowly—by 6 percent over the previous year.

Despite a nearly universal commitment to addressing the chronic undercompensation of theatre artists and other professionals, theatres have at the same time had to absorb enormous increases in fixed costs, with insurance and occupancy costs topping the list of skyrocketing expenses. Total non-personnel costs, including rent, utilities and materials for scenery, costumes and props, increased 9.9 percent over the prior year.

As the survey attests, many theatres have already scaled back their ancillary activities in order to concentrate their resources on their primary programs. But more far-reaching trends are emerging, as several theatres have begun to make more massive budget cuts, striking at the core of the institutions, to offset the loss of contributed income. The Long Wharf Theatre in New Haven, Conn. publicized its cost-cutting campaign last summer, announcing reductions in rehearsal time and cast sizes in addition to cutting staff and production budgets. The New York Shakespeare Festival, citing a loss of state and city funding on top of refusing to accept federal grants, dismissed 30 full-time technical employees and closed its scenery, prop, sound and electric shops in 1990 because the theatre could not absorb impending rent increases.

The depth and breadth of future cuts will be determined largely by the recession's effects on contributed income. If severe, the cuts will thwart many theatres' longterm efforts to achieve artistic and institutional gains.

Grants and Contributions

Grants and contributions to theatres have grown an impressive 43.9 percent over the five years of the study, ahead of slower growth rates for both earned income (39.4 percent) and expenses (40.1 percent). In 1990, contributed income grew 9.1 percent over the previous year, ahead of the increases in earnings and expenses but not producing enough income to close the widening earnings gap.

Comparing 1990 gains to those in 1989, however, reveals that only foundation support significantly outstripped the growth rate achieved in the previous year.

Individual donors, corporations and foundations continued to be the three primary sources of contributed income, with both individuals and foundations providing significantly more income than in

CONTRIBUTED INCOME

53 Sample Theatres

IN THOUSAND $	1986	1987	1988	1989	1990
Private Support					
Individuals	$10,452	$11,860	$11,550	$13,767	$15,225
Corporations	7,922	8,781	9,929	10,977	11,346
Foundations	6,247	7,251	8,315	9,261	10,769
United Arts Funds	6,121	6,012	6,638	7,175	7,760
Fundraising Events/Guilds	3,679	4,316	4,552	5,632	5,277
Other	4,979	5,549	5,922	6,390	8,264
Public Support					
Federal	5,731	5,169	5,395	5,776	6,330
State	4,362	4,756	5,158	5,779	5,843
City & County	1,629	2,257	2,455	2,628	2,729
TOTAL	51,122	55,951	59,914	67,385	73,543

Corporation (to Actors Theatre of Louisville), Hallmark Cards (Missouri Repertory Theatre), U.S. West (Denver Center Theatre) and Ford Motor Company (Arena Stage).

The nonprofit sector at large also experienced a below-inflation increase in corporate contributions in 1989, according to *Giving USA*. This trend does not bode well for nonprofit theatres, many of which have barely recovered from the leveling-off of corporate support during the merger and acquisition-crazed 1980s. As *Giving USA* reports, the pre-recession environment had already begun to erode corporate profits in 1989, portending a grim future of funding from this source. The trend toward fewer but larger corporate donations in the 1990 TCG survey also suggests that, as corporations scale back their giving programs and look for more "bang for the buck," grants to mid-sized and small institutions will be sacrificed for more visible grants to larger theatres.

Foundations

In each of the five years of the study, grants from foundations have boasted double-digit increases, rising an impressive 72.4 percent since 1986. The 1990 survey reports the largest one-year increase in foundation support—16.3 percent over the previous year—representing the largest percentage increase in any source of contributed income.

More than half the sample theatres reported increases in their foundation grants during 1990. Although the aggregate number of foundation donors to sample theatres decreased marginally, the average amount of a foundation grant rose 16.8 percent—from $12,414 in 1989 to $14,494 in 1990.

The Shubert Foundation again led foundation giving to TCG theatres nationwide, with more than $1.1 million in grants reported by 45 of the 185 participating theatres in the overall survey universe.

Other leading foundations supporting theatres in 1990 were the Wallace Funds (including the Lila Wallace-Reader's Digest Fund and the DeWitt Wallace Fund), the Surdna Foundation, the Andrew W. Mellon Foundation, the Pew Charitable Trusts and the McKnight Foundation. Individual foundation gifts of $300,000 or more were reported from the Samuel I. Newhouse Foundation, Surdna Foundation and the Wallace Funds (all to Lincoln Center Theater in New York City); the Joan B. Kroc Foundation (to La Jolla Playhouse); the Mary & Barry Bingham Sr. Foundation (to Actors Theatre of Louisville); the McKnight Foundation (to the Guthrie Theater) and the Lilly Endowment (to Indiana Repertory Theatre).

According to *Giving USA*, foundation grants to the entire philanthropic sector in 1989 increased at a slower rate than they did to theatres in the TCG survey, rising 8.9 percent over the previous year. At the same time, foundation assets grew 19 percent for the year, reflecting healthier stock prices and more sophisticated money management.

While foundation support was the brightest spot in the theatre funding picture in 1990, the concern exists as it does with corporate support that the trend toward fewer but larger foundation grants could signal future erosion of support for all but the most visible theatres, should foundation grants begin to decelerate. Additionally, the overwhelming social needs facing the country may alter current patterns of foundation giving, as already witnessed by the New York-based Surdna Foundation's decision in early 1990 to eliminate the arts as a grant category in favor of "the most pressing and urgent needs," the environment and community revitalization.

Federal Government

The congressional appropriation to the National Endowment for the Arts in the 1989 federal fiscal

the previous year. However, corporate contributions failed to keep pace with inflation. Federal government funding, no longer a major funding source for theatre, showed a temporary recovery, while both state and city funding registered the lowest growth rates in the five years studied, also below inflationary increases for the year.

Individuals

Donations from individuals continue to be the largest and most important source of contributions to theatres, and this category grew 10.6 percent over 1989 giving. While certainly a substantial increase, the growth was nevertheless far below the 19.2 percent increase in individual giving reported the year before.

More than 120,000 people made donations to the 53 sample theatres, averaging more than 2,200 donors per theatre, while the average gift rose three dollars to $126.68 in 1990. Increases in giving by individuals were reported by 41 of the 53 sample theatres, representing more than three-quarters of the group.

This increased giving to theatres in 1990 was slightly below the 11.7 percent growth in individual giving to all charitable organizations and philanthropic causes in calendar year 1989, according to the American Association of Fund-Raising Counsel's most recent annual survey *Giving USA: The Annual Report on Philanthropy.* That study partially attributed the increase in individual giving to the 8.9 percent increase in personal income and the 21.1 percent growth in stock prices in 1989. (Since the *Giving USA* survey covers calendar year 1989, which overlaps the TCG survey's fiscal year of 1989-90, the same factors apply at least partially to both reports.)

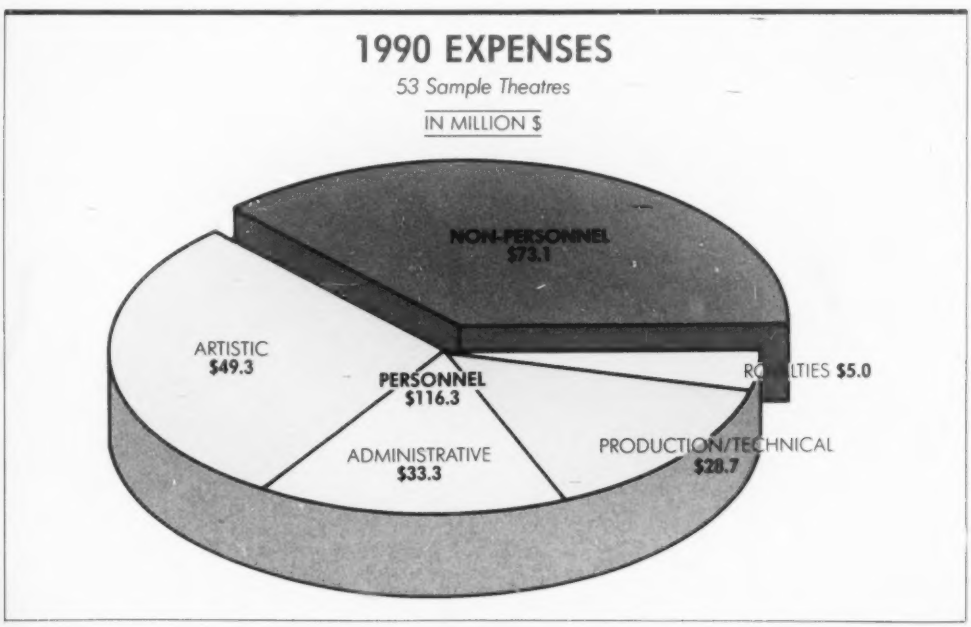
Concerned that the recession will precipitate a curtailment of philanthropic giving among individuals, even among those whose personal income is not immediately affected, fundraisers are watching this area of support very carefully. Fortunately, a potentially disastrous ceiling on charitable deductions for individual taxpayers was dropped by federal legislators during the 1991 budget debates and replaced with an across-the-board limitation on itemized deductions in the deficit reduction package that experts estimate will have a negative impact on private giving of only one-tenth of one percent. Still, the provision expires in five years, opening the door to more severe limitations in the future.

Corporations

Corporate support remained the second largest source of contributions to sample theatres in 1990. Although nearly three-fifths of the sample theatres reported some increase in corporate giving dollars, contributions from business sources showed the smallest growth in five years—only 3.4 percent more than the 1989 level, not even compensating for inflation. The sample theatres also experienced a significant decrease in the number of corporate gifts, which fell more than 14 percent to 5,118 gifts in 1990, but the average size of a corporate donation rose substantially from $1,834 to $2,217.

AT&T, the Dayton Hudson Corporation, the Humana Corporation and U.S. West held the lead in total corporate giving dollars to all theatres participating in the TCG survey. Local area giving, generated by community-based businesses, corporate headquarters and branch offices, prompted major gifts of more than $130,000 from the Humana

otal attendance reached a five-year high in the 1989–90 season.



year—the primary source of federal arts funds in 1990—grew by less than one percent to $169.1 million. The budget allocated to the NEA Theater Program was virtually the same as the previous year, rising only $60,000 to $10.75 million—still less than the 1981 budget of $10.8 million. Over the five years of the survey, federal support to the sample theatres has increased just 10.4 percent, while total expenses have risen more than 40 percent and support from all other main sources of contributions has risen between 34 and 72 percent.

Federal support to sample theatres in 1990 rose 9.6 percent—the largest increase in the five years studied—yet covered only 3.3 percent of theatre expenses, the lowest portion of support in five years. The increase was caused entirely by a significant increase in special Challenge grants received by only 7 of the 53 sample theatres. Regular NEA program grants to theatres actually decreased by more than 5 percent, as sample theatres collectively reported the lowest income from program grants in five years.

Forty-four of the fifty-three sample theatres received grants from the NEA's Professional Theatre Companies category in 1990, the primary delivery system for federal support to American theatres. Grants ranged from $7,500 to $295,000, with an average grant of $83,693. While 10 of the sample theatres received increases over their previous year's grant amount, 16 had their grants reduced. In addition to funds from the NEA Theater Program, more and more theatres are receiving grants from Opera-Musical Theater, Inter-Arts and other NEA programs as they produce more cross-disciplinary work.

The 18-month uproar over federally funded art in 1989 and 1990, triggered by the religious right's outrage over controversial works by photographic artists Robert Mapplethorpe and Andres Serrano, constituted the darkest chapter in the 25-year history of the NEA. When the dust settled on the NEA controversy, it became clear that the agency had been substantially altered in structure and mission. However, during the 1990 survey year, theatres received federal funds appropriated in 1989, before an anti-obscenity ban was enacted by Congress causing some recipients to refuse NEA grants.

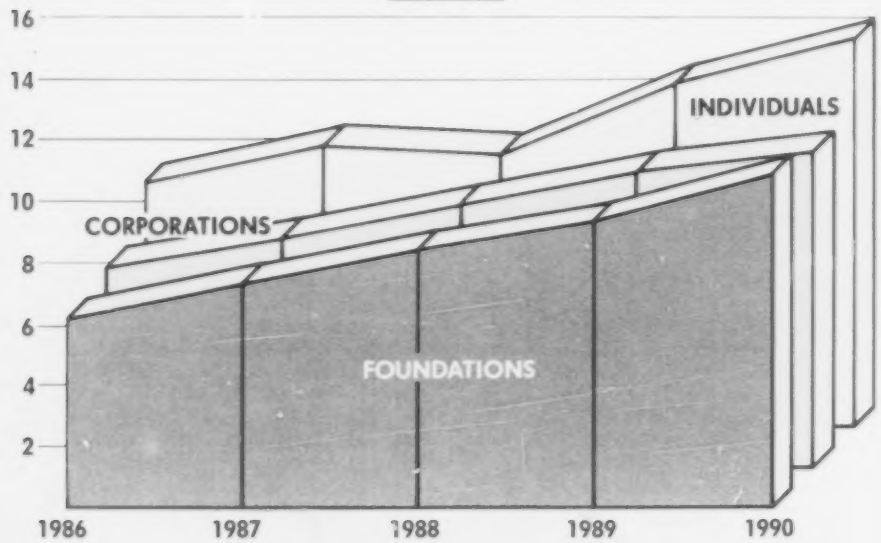
As the debate raged throughout 1990, the combined impact of vicious attacks made by conservatives on moral and religious grounds, a presidential administration that vacillated between supporting its rightwing constituency and more moderate arts advocates, a rocky leadership transition within the agency and Congress's unwillingness to deal squarely with the issues in an election year conspired to threaten the very existence of the Arts Endowment.

> rts leaders worry that the agency will lose its leadership role in establishing a national standard of excellence."

COMPARISON: PRIVATE SUPPORT

53 Sample Theatres

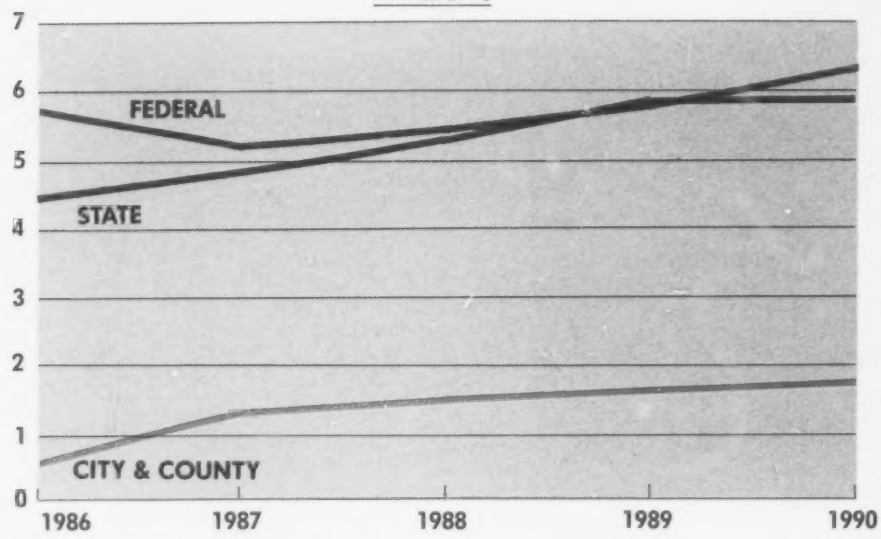
IN MILLION $



PERCENT CHANGE	86–7	87–8	88–9	89–90	5 YRS. 86–90
Individuals	13.5	– 2.6	19.2	10.6	45.7
Corporations	10.8	13.1	10.6	3.4	43.2
Foundations	16.1	14.7	11.4	16.3	72.4

COMPARISON: PUBLIC SUPPORT

53 Sample Theatres



PERCENT CHANGE	86–7	87–8	88–9	89–90	5 YRS. 86–90
Federal	–9.8	4.4	7.1	9.6	10.4
State	9.0	8.5	12.0	1.1	34.0
City & County	38.6	8.7	7.1	3.9	67.5

The final legislative outcome in late 1990, a three-year reauthorization folded into the 1991 appropriations bill, was an amalgam of political appeasement and deal-making that did little to restore faith in the agency. Instead, the bill replaced the anti-obscenity ban with equally vague language concerning decency, eroded program funds and diminished the role of peer-review panels, satisfying neither the agency's critics nor its supporters. A total of nearly $12 million was cut from existing NEA programs to increase existing block grants to state arts agencies and establish new state-administered initiatives. The impact of the $1.2 million cut from the Theater Program alone due to the 1991 bill will be felt by theatres in the 1992 survey year. Most critically, arts leaders worry that the agency will lose its leadership role in establishing a national standard of excellence and NEA grants will lose their impact and leveraging ability as a means of attracting non-federal support.

State Government

Sample theatres reported a minuscule 1.1 percent increase in state government funding in 1990, by far the smallest increase in five years. Even though state arts agency legislative appropriations were up 5.3 percent for the same period, according to the National Assembly of State Arts Agencies (NASAA), grants from state arts agencies remained flat, representing a decline when adjusted for inflation.

All but three sample theatres (two of which are located in the District of Columbia and have no state government) received support from their state arts agencies: 28 reported increased grants, 17 experienced decreases and 5 were level-funded. The average grant to sample theatres from state arts agencies was $109,443. Significant support exceeding $150,000 was received by McCarter Theatre Center, George Street Playhouse, Center Stage, the Guthrie Theater, Manhattan Theatre Club, Perseverance Theatre, American Conservatory Theatre and Actors Theatre of Louisville.

According to NASAA, Hawaii ranked first in state per-capita spending for the arts in fiscal year 1990, appropriating $7.84 for each resident. New York led in total arts appropriations, spending $59 million, more than twice as much as any other state; Florida ranked second with a total state arts agency appropriation of $24 million.

Looking ahead to 1991, state budget crises caused severe decreases in arts appropriations to Massachusetts and New Jersey, New York, Rhode Island and Virginia, and more moderate reductions in another 10 state arts agency budgets, triggering

the first per-capita decrease in state arts appropriations in 13 years.

On the other side of the ledger, state arts agencies are scheduled to receive an increase in NEA funding as a result of the 1991 appropriations bill. As reflected in the 1990 survey, state arts agency support to theatres has not always increased in proportion to the rise in state arts appropriations. This fact, coupled with the widespread budget cuts to many state arts agencies, raises the concern that theatres and other arts organizations will not share in the additional transferred funds from the NEA and that certain geographic areas will be hurt significantly from this formulaic redistribution of funds, namely those with the highest concentration of arts organizations and artists.

City and County Government

Municipal and county support to sample theatres in 1990 increased by only 3.9 percent, by far the lowest growth rate in the past five years and below the inflation rate. Although local governments are still a relatively small source of support for most theatres, the number of theatres receiving funding from this source has grown steadily over the course of the survey, reaching 36 of the 53 sample theatres in 1990, compared to 31 five years earlier. But the seemingly insurmountable gaps in many city budgets, notably New York City and Philadelphia, among others, point to reduced levels of support from this source in the future.

In 1990, significant support exceeding $100,000 was provided by the cities of San Francisco (to American Conservatory Theatre), Buffalo, N.Y. (to Studio Arena Theatre), St. Louis (to the Repertory Theatre of St. Louis), Dallas (to the Dallas Theater Center), La Jolla, Calif. (to La Jolla Playhouse) and San Diego (to San Diego Repertory Theatre) as well as by Erie County, N.Y. (to Studio Arena Theatre) and Fulton County, Ga. (to the Alliance Theatre).

Other Contributions

United arts funds—combined fund-raising campaigns that receive donations from corporations, foundations and individuals at the local level—registered an 8.2 percent increase in their 1990 support to theatres. However, fewer than one-quarter of the sample theatres received contributions from such funds in 1990 and, as in previous years, nearly half the total went to one theatre—the Mark Taper Forum, which is supported by the Los Angeles Music Center's Unified Fund.

Revenues from special events such as galas, auctions and other benefits registered the first decline in five years, down 6.3 percent from 1989 compared to a 23.7 percent rise the year before, but income-generating activities remain a significant source of income for many theatres.

Additional contributed income from in-kind contributions—donated services, materials and facilities recorded at fair market value—was reported by 21 theatres in the sample group. Other sources included cash donations from sheltering organizations, most typically museums and universities, that not only provide in-kind support of theatre space and related physical plant operations but also make significant cash contributions. Sheltering organizations that donated over $100,000 to sample theatres in 1990 include Boston University (to Huntington Theatre Company), Harvard University (to American Repertory Theatre), University of North Carolina (to PlayMakers Repertory Company), University of Utah (to Pioneer Theatre Company), Virginia Museum of Fine Arts (to TheatreVirginia) and Princeton University (to McCarter Theatre Center for the Performing Arts). Also reported as "other contributions" were several unusual one-time grants, including nearly $600,000 from the Northern California Grantmakers Earthquake Relief Fund to American Conservatory Theatre, to help defray extraordinary expenses associated with the 1989 earthquake.

Looking Ahead

The start of the new fiscal year brought no relief from the nation's economic woes. Mirroring Washington's inability to manage the federal deficit, at least 29 state legislatures struggled with budget crises for fiscal 1991. But the outbreak of war in the Persian Gulf provided the direst economic predictions of all.

Unlike past wars which triggered economic recovery in the U.S., the Mideast conflict, most analysts agree, was certain to be bad for the economy. A rise in oil prices, faster swelling of the federal deficit, and an even greater loss of consumer and business confidence would almost definitely deepen the recession.

If the recession persists, theatres will almost certainly face a grimmer future. In addition to continued cuts in governmental funding, already on the decline, corporate support is unlikely to increase. The recession's effect on individuals' discretionary income, combined with tax increases and other disincentives, could drastically hurt individual contributions, fundraising event income and box-office earnings. While a predicted rise in interest rates will increase foundation earnings, the loss of federal funds earmarked for social programs will escalate the competition for foundation dollars.

In the face of these economic hardships, there might be a greater loss of small to mid-size theatres and even the most financially stable institutions will be forced to make difficult decisions. Like most nonprofit groups, theatres are already understaffed and have virtually no fat to trim from overhead expenses. Major cuts to production budgets could threaten the quality of work and institutional artistic missions. A continued decline in touring, booked-in events and the number of theatres offering educational outreach programs will limit access to the work—especially for young people, disadvantaged groups and populations geographically removed from major theatre centers—a trend that does not bode well for the development of future audiences.

"orporations are looking for more 'bang for the buck' by making more visible grants to larger theatres."

THEATRE 90 FACTS

But, historically, the arts have often played a very positive role in times of adversity. Looking to escape their personal and societal problems, people attend arts events, seeking communion with others and comfort in art. The theatre's unique ability to offer audience members a social and historical context for the events surrounding them, within the framework of a personal and immediate artistic experience, might help the field weather the turbulent climate ahead. □

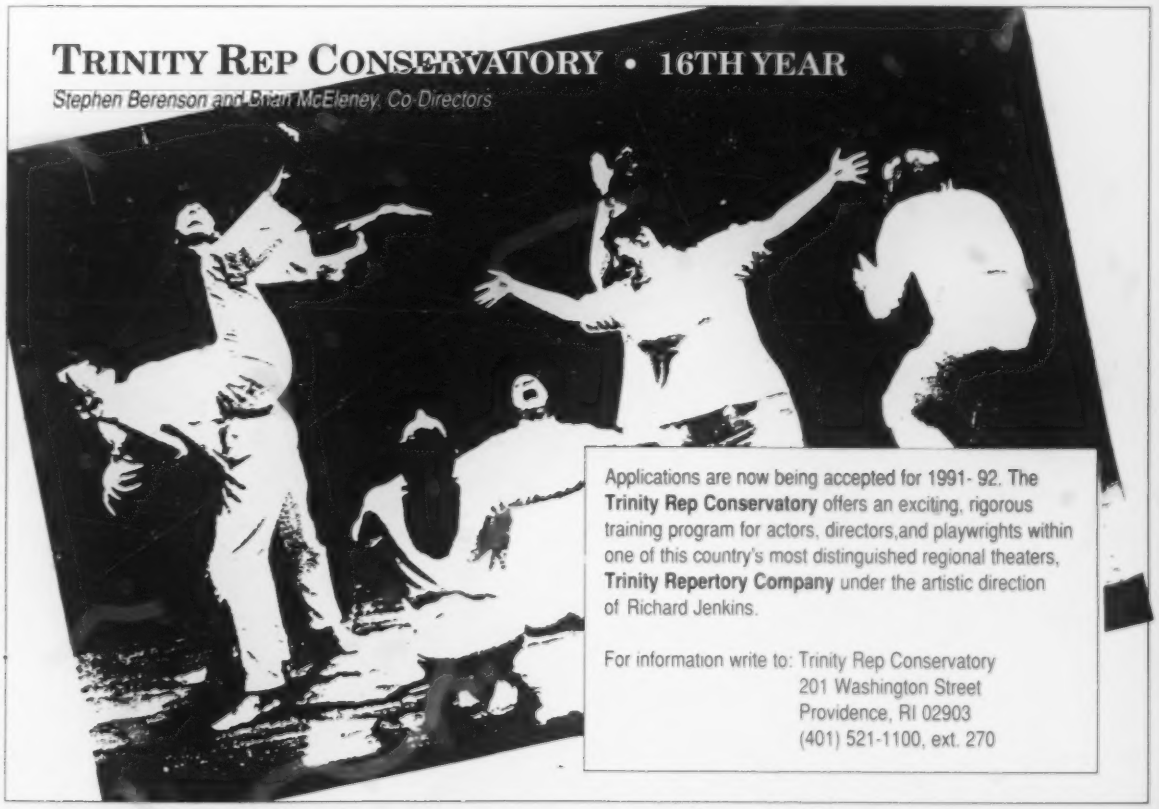
TCG HAS CONDUCTED NATIONAL SURveys annually since 1974. "Theatre Facts 90" covers theatre fiscal years ending between Sept. 1, 1989 and Aug. 31, 1990. Data from the participating sample theatres was verified against certified financial audits. Inflation information is based on the Consumer Price Index (all urban consumers) for the period ending June 30, 1990 and was obtained from the U.S. Department of Commerce's Bureau of Labor Statistics. Under the direction of Barbara Janowitz, the survey was conducted and research data compiled by John Federico with the assistance of Lisa Yoffee, all members of TCG's Management Services staff.

The composition of the sample group changes slightly each year that TCG conducts this survey, depending on which theatres have provided data for all years studied. Therefore, "Theatre Facts 90" includes recalculation of all five years for the participating theatres and cannot be compared with the published results of earlier TCG surveys based on a slightly different sample group.

1990 Sample Group Theatres

A Contemporary Theatre, Actors Theatre of Louisville, Alley Theatre, Alliance Theatre Company, American Conservatory Theatre, American Repertory Theatre, American Stage Festival, Arena Stage, Arizona Theatre Company, Barter Theatre, Berkeley Repertory Theatre, Center Stage, The Children's Theatre Company, Cincinnati Playhouse in the Park, Circle Repertory Company, The Cleveland Play House, Dallas Theater Center, Fulton Opera House, George Street Playhouse, Goodman Theatre, Great Lakes Theater Festival, The Guthrie Theater, Hartford Stage Company, Huntington Theatre Company, Indiana Repertory Theatre, Intiman Theatre Company, La Jolla Playhouse.

Also, Lamb's Players Theatre, Long Wharf Theatre, Manhattan Theatre Club, Mark Taper Forum, McCarter Theatre, Milwaukee Repertory Theater, Missouri Repertory Theatre, New Jersey Shakespeare Festival, Northlight Theatre, The People's Light and Theatre Company, Perseverance Theatre, Philadelphia Drama Guild, Pioneer Theatre Company, Pittsburgh Public Theater, PlayMakers Repertory Company, Portland Stage Company, The Repertory Theatre of St. Louis, Seattle Repertory Theatre, Shakespeare Theatre at the Folger, South Coast Repertory, StageWest, Studio Arena Theatre, Syracuse Stage, TheatreVirginia, Virginia Stage Company, Yale Repertory Theatre. (A complete list of the 185 participating theatres in the survey universe is available from TCG.)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